



Benefit Focus

New Opportunities for (FSA)
Flexible Spending Accounts

Department of Administration, Group Insurance Management

Boise Idaho

December 2003

As Result of Recent IRS Ruling

Certain Over the Counter Medicines Now Covered Under State's Flexible Spending Account (FSA)

This past September, the Internal Revenue Service (IRS) issued a new ruling which resulted in the availability of certain **over the counter (OTC)** medicines as allowable purchases/expenses under an **FSA account**.

Allowable Items

Eligible OTC purchases are for items used for the diagnosis, cure, mitigation, treatment or prevention of disease, including such things as allergy medications, cold medicines, contact solution, and pain medications such as aspirin and acetaminophen, etc.

Exclusions

The ruling specifically excludes:

- Vitamins and dietary supplements;
- Toiletries items (e.g. toothpaste);
- Cosmetics (e.g. face creams) and other sundry items are not "medicines and drugs"

Amounts expended for these items cannot be reimbursed with FSA funds.

If you have any **questions** regarding what **may or may not be an eligible expense**, please contact our FSA administrator:

Stanley, Hunt, DuPree, Rhine & Associates
at: 1-800-930-2417.



Claim Reporting Procedures

When submitting a claim for OTC purchases, **the store receipt is required**. The receipt must also state the name of the OTC item, and you will need to clearly write the name of the person in your family who will be using the OTC on the claim form.

FSA Enrollment Time Next Spring

A little over 2,000 state employees are currently enrolled in the Medical Reimbursement Account portion of the FSA.

Employees who didn't enroll in the FSA for the current year **can't enroll now**, but may take advantage of these opportunities by enrolling during the *Open Enrollment Period* for the State's Medical Plan in May-June of 2004.